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MEIGU Technology Holding Group Limited

美固科技控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8349)

PROFIT WARNING

This announcement is made by MEIGU Technology Holding Group Limited (the “**Company**”, and together with its subsidiaries, collectively the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities in GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap.571 of the Laws of Hong Kong) (the “**SFO**”).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the preliminary review of the unaudited financial results of the Group for the three months ended 31 March 2021, the Group is expected to record a net loss of not less than RMB400,000 for the three months ended 31 March 2021 as compared to a net profit of approximately RMB234,000 for the three months ended 31 March 2020 (the “**Profit Warning**”). The Board believes that the aforesaid turnaround from profit to loss was mainly attributable to the substantial reduction in the gross profit margin of not less than 14 percentage points for the products sold by the Group during the three months ended 31 March 2021. This substantial reduction in gross profit margin arose mainly from the drastic increase in costs of raw materials amidst the rupture of the worldwide supply chain caused by the widespread COVID-19 pandemic.

As the Company is still in the process of preparing the unaudited consolidated results of the Group for the three months ended 31 March 2021, this announcement is only a preliminary estimate performed by the management of the Group based on currently available information and is not based on any figure or information audited or reviewed by the Company's auditor. The actual consolidated results of the Group for the three months ended 31 March 2021 may, therefore, differ from the information disclosed in this announcement. Shareholders and potential investors are advised to read carefully the results announcement for the three months ended 31 March 2021, which is scheduled to be published on 11 May 2021.

Reference is made to the announcement jointly made by the Company and LF INTERNATIONAL PTE. LTD. (the "**Offeror**") on 15 April 2021 regarding, amongst others, the acquisition of 123,600,000 shares in the Company by the Offeror and the mandatory conditional general offer in cash (the "**Offer**") to be made by Forwin Securities Group Limited for and on behalf of the Offeror to acquire all the issued shares of the Company (other than those already owned by the Offeror and parties acting in concert with it).

The Profit Warning included in this announcement constitutes a profit forecast under Rule 10 of The Codes on Takeovers and Mergers and Share Buy-backs (the "**Takeovers Code**") and should be reported on by the Company's financial adviser and auditors or accountants in accordance with Rule 10.4 of the Takeovers Code. In view of the requirements of timely disclosures of the inside information under Rule 17.10 of the GEM Listing Rules and Part XIVA of the SFO, the Company is required to issue this announcement as soon as practicable and given the time constraints, the Company has encountered genuine practical difficulties (time-wise or otherwise) in meeting the reporting requirements set out in Rule 10.4 of the Takeovers Code.

Under Rule 10.4 of the Takeovers Code, if the Profit Warning is published first in an announcement, it must be repeated in full, together with the reports from the Company's financial advisers and auditors or accountants on the said profit forecast, in the next document to be sent to the Shareholders. The Profit Warning will be reported on by the Company's financial advisers and auditors or accountants as soon as possible in compliance with the Takeovers Code and such reports will be contained in the next document to be issued by the Company to the Shareholders (the "**Shareholders' Document**"). However, if the consolidated results of the Group for the three months ended 31 March 2021 which fall within the ambit of Rule 10.9 of the Takeovers Code have been published by the time of release of the next Shareholders' Document and the relevant results together with the notes to the financial statements are included in the next Shareholders' Document, the requirements to report on the Profit Warning under Rule 10.4 of the Takeovers Code will no longer apply.

Shareholders and potential investors of the Company should note that the Profit Warning has not been reported on in accordance with the requirements under Rule 10 of the Takeovers Code. Shareholders and potential investors of the Company should therefore exercise caution in placing reliance on the Profit Warning in assessing the merits and demerits of the Offer. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
MEIGU Technology Holding Group Limited
Jiang Guitang
Executive Director

Hong Kong, 27 April 2021

As at the date of this announcement, the executive Directors are Mr. Jiang Guitang, Mr. Cheng Dong and Ms. Shi Dongying; and the independent non-executive Directors are Mr. Huang Xin, Mr. Tam Tak Kei Raymond and Mr. Ng Sai Leung.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

All the Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

This announcement will remain on The Stock Exchange of Hong Kong Limited's website at www.hkgem.com on the "Latest Listed Company Information" page for 7 days from the date of its posting and on the website of the Company at www.nantongrate.com